THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Reserve Bank of India (RBI) had submitted a proposal to Central Government for setting up an exclusive apex body for the supervision of urban cooperative banks in view of duality of control prevailing in the cooperative banking sector. The proposal was examined and it was found that without legislative changes in the State Co-operative Societies Acts recommended by Ch. Brahm Perkash Committee, apex supervisory body as suggested would suffer from similar legislative handicap that RBI suffers today. Therefore, State Governments have been advised to modify the State Cooperative Societies Acts, in line with the Model Cooperative Act. Simultaneously, besides taking measures to revitalize the cooperative credit system, the efforts of the Union Government are also directed towards making necessary changes in Banking Regulation Act, 1949 to further expand the jurisdiction of RBI over Cooperative Banks.

Dearness Allowance of Central Government Employees

49. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the total amount of Dearness Allowance of the Central Government Employees granted so far has exceeded 50 per cent of their basic pay;

(b) if so, whether the 50 per cent of the Dearness Allowance is to be merged with their basic pay as per the Fifth Pay Commission formula; and

(c) by when action is proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) No Sir. Fifth Central Pay Commission did not recommend merger of Dearness Allowance with the basic pay but had recommended conversion of Dearness Allowance into Dearness Pay once the Consumer Price Index increased by 50% over the basic index used by the Pay Commission.

(c) Does not arise.